

**Friendship Heights Transportation Management District  
Advisory Committee  
November 10, 2009**

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**Voting Members Present**

William P. Farley	Town of Somerset
Tiffany Gee	Chevy Chase Land Company
David Glass	Chevy Chase Village Board of Managers
Leonard Grant	Friendship Heights Village Council
Bill McCloskey	Citizens Coordinating Committee on Friendship Heights
Christine Norris	Wisconsin Place
Robert Schwarzbart (Chair)	Friendship Heights Village Council
R. Mallory Starr (Vice Chair)	Somerset House Management Association

**Non-Voting Members Present**

Sandra L. Brecher	DOT/Transit Services Division-Commuter Services
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**TMD Staff Present**

Nakengi Byrd	DOT/Transit Services Division-Commuter Services
Jim Carlson	DOT/Transit Services Division-Commuter Services
Sheila Wilson	DOT/Transit Services Division-Commuter Services

**Absent**

Chief Roy Gordon	Chevy Chase Village Police
Capt. Russell Hamill	Montgomery County Police
Kenneth Hartman	B-CC Services Center
Jessica Moore	The JBG Companies
Kenneth Williams	GEICO

**Guests**

Bob Joiner	The Agenda News
Julian Mansfield	Friendship Heights Village
Peggy Schwartz	North Bethesda TMD
David Torchinsky	Law Offices of Binstock, Torchinsky and Associates

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**Abbreviations Used Herein Include:**

FHTMD = Friendship Heights Transportation Management District

NBTMD = North Bethesda Transportation Management District

AC = Advisory Committee

**Items 1, 2 – Introductions/Agenda Review (additions/deletions):** Members introduced themselves. Minutes were approved with changes.

**Bill McCloskey** asked about the policy regarding absenteeism, as several members have been consistently absent from meetings. **Jim Carlson** said he was pursuing the issue following County procedures and has been in contact with the absent members.

**Item 3 – Chair’s Comments:** **Robert Schwarzbart** welcomed newly confirmed committee member **Christine Norris**, representing Wisconsin Place as a developer representative. **Marc Esposito** and **David Torchinsky** are awaiting the final Council vote. **Mr. Esposito** represents a large employer (Bloomingtondale’s) and **Mr. Torchinsky** represents a small employer (Law Offices of Binstock, Torchinsky and Associates).

**Mr. McCloskey** announced that the opening of the Wisconsin Place Recreational Center will be Sunday, Nov. 15<sup>th</sup> from 10am -1pm. There will be a ribbon cutting and remarks by **County Executive Leggett** followed by tours and demonstrations of the facility. Former committee member and past chair **Bob Cope**, who has been involved with the Wisconsin Place project for 15 years, was in attendance at the meeting.

**Mr. Schwarzbart** called attention to the Washington Post article, included in the meeting packet, about Metro officials barring safety checks on rail tracks by members of the Tri-State Oversight Committee, the body charged with overseeing Metro rail safety. He also noted the follow up article describing upcoming Senate hearings on the safety check issue. **Mr. Schwarzbart** reiterated his concerns that Metro does not have enough funding to correct safety problems, leading to low safety ratings, which then also adversely affects funding.

**Mr. Carlson** introduced **Peggy Schwartz**, Executive Director of Transportation Action Partnership, Inc., which is the county’s contractor for managing the North Bethesda TMD. Although substantially larger than the Friendship Heights TMD, it still performs the same function of promoting transportation demand management to employers. The NBTMD also promotes programs to residents as part of its mission due to mode share goals in the master plan.

**Item 4 – Super Fare Share Program:** **Sandra Brecher** announced that the County Executive has submitted his mid-year cost savings plan to the County Council. In it he has proposed a temporary suspension the county’s contribution to the Super Fare Share program, the county’s matching transit subsidy to employers. The proposed action affects all Fare Share and Super Fare Share programs except in districts that are funded by a Parking Lot District (PLD) – those TMDs unaffected by the cost saving measure are Bethesda and Silver Spring. **Ms. Brecher** distributed a copy of the County Executive’s letter to Council (also available on the county’s web site). **Ms. Brecher** announced that other county saving measures include a 15 percent reduction in all printing, publication and postage.

**Ms. Brecher** said any comments on the proposal should be directed to the Council. The Transportation Infrastructure Energy and Environment (T&E) Committee is holding a work session today at 3 PM on the 3rd floor hearing office of the Council building. Other elements of the savings plan and additional information are provided on the County Council’s web site.

**Ms. Brecher** explained the County’s partnership with employers regarding the Fare Share and Super Fare Share programs. The County provides matching funds as an incentive to employers to contribute toward lowering the cost of transit for employees. For 10 years the county has managed avoid cuts to the programs; however the County’s current budget crisis has left no alternatives. The County Executive has indicated that these cuts in the savings plan are a preview of more cuts to come in the FY11 budget, which is currently under review. It is likely that, barring extraordinary circumstances, the midyear cuts will continue into the next fiscal year.

**Mr. McCloskey** asked how many individual commuters will be affected by the Super Fare Share suspension. **Ms. Brecher** stated 42 employers in Friendship Heights are enrolled in the program; those employers represent about 2,600 total employees; of those, about 500 employees participate in the Super Fare Share program. **Mr. McCloskey** asked if those participants receive a full reimbursement for commuter expenses. **Ms. Brecher** stated under the first year of the program – the “Dollar Deal” – the county provides up to \$114 per participating employee, per month based on the actual cost of the employee’s commute, with the employer contributing just \$1 per employee, per month. After the first year (Years 2-5) the contribution level is 50 percent, again with a maximum contribution from the county of \$115 per employee. Employers can contribute an additional \$115 if

they wish to go up to the new Federal tax-free limit of \$230, or this can be done as a pre-tax payroll deduction from the employee. At the request of employers, the county extended the program for an additional three years; during years 6-9, the county's contribution is reduced by 10 percent each year while the employer's contribution is increased. During the last year of the nine year program, employers are contributing 90 percent and county is contributing 10 percent.

**Ms. Brecher** emphasized that employees can receive only an amount equal to the actual cost of their commute, up to the \$230 limit. This is the reason for the changes to Metro's SmarTrip Card and the SmartBenefits program planned for 2010.

**Ms. Brecher** said that after the SmartBenefits seminar (Nov. 5), several employers said they plan to return to their decision makers and discuss the possibility of continuing to contribute at least as much as they have been under the program. However, a number of these employers said they did not think they would be able to pick up the county's contribution. **Ms. Brecher** said that having employers continue some sort of contribution to transit was one of the important messages emphasized during the seminar. The main concern is that current transit users would return to driving without the subsidy. This problem is compounded by employers that pay for parking for employees already; removing the transit subsidy while continuing to subsidize parking obviously makes this imbalance worse.

**Ms. Brecher** explained that the changes to SmartBenefits and SmarTrip card would go into effect in January and are a result of IRS requirements and would divide the money amounts loaded onto the card into three different "purses": for transit, Metro parking and personal use. In addition, area workers enrolled in the SmartBenefits program will no longer need to take an extra step to load their transit benefits onto their SmarTrip cards at a vending machine. New monthly benefits will be stored centrally and will automatically load when the card is tapped at any SmarTrip target, including targets on bus fare boxes and rail fare gates. The maximum personal stored value by the employee will continue to be \$300. Transit and parking benefits will be limited to \$230 each in addition to the personal stored value limit.

**Greg Knoop** noted that in the current poor job market, employers have to weigh keeping some employment benefits, such as a transit subsidy, against the larger picture of retaining jobs and positions. Realistically, if an employer is facing job cuts or furloughs, they will cut benefits. He added that Metrorail's overall costs, including parking, tend to be prohibitively expensive compared to simply riding the bus system. The buses have the greatest coverage and are much more economical. In light of this, the county's efforts should go more toward promoting this option.

**David Glass** asked if there was a tax advantage for employers that subsidize transit. **Ms. Brecher** said, yes, through the Maryland Commuter Tax Credit, a program that CSS promotes as part of its regular outreach to employers. Under the program, an employer is allowed a 50 percent tax credit for all employer-provided transit benefits, up to \$50 per employee, per month. **Ms. Brecher** distributed a brochure explaining the MD Tax Credit program and said a representative from the state explained the program at the SmartBenefits seminar. An employer's out of pocket expenses for providing transit benefits can be significantly less under this program.

**Peggy Schwartz** (North Bethesda TMD) said that, in connection with the proposed suspension of Super Fare Share, she had been in discussions with the North Bethesda TMD Advisory Committee. Employers are struggling with the tight deadline the county has set, which, because the suspension begins in January, means the November order will be the last one (orders are placed in the preceding month). North Bethesda companies are asking that they be granted more time before the program is suspended to put other measures into place. Most companies have budgeted until year's end; some set their budgets years ahead, and the budgets include the subsidy from Super Fare Share.

**Ms. Schwartz** said the North Bethesda TMD Advisory Committee will be writing a letter to Council asking for a deadline extension. The committee appreciates the county's budget situation and the need to address it; however, if some extra time is allowed before the program suspension takes affect, then at least some companies will have some time to develop alternative programs, keeping employees on transit.

**Mr. Schwarzbart** asked if North Bethesda had the benefit of parking fees and revenue. Ms. Schwartz said there is parking revenue that the county uses to support TMD programs and services, but North Bethesda is not a designated parking lot district like Bethesda or Silver Spring. North Bethesda's fees go into a general fund rather than a PLD fund category, which is considered a different revenue source.

**Mr. Schwarzbart** asked if there was anything **Ms. Schwartz** wanted the Friendship Heights TMD AC to do. **Ms. Schwartz** said members of the North Bethesda TMD were wondering if FHTMD employers were expressing similar concerns about the program, particularly the short deadline. The North Bethesda TMD would welcome any support from the FHTMD AC in this regard.

**A motion was made and seconded** to write a letter supporting the position of the North Bethesda TMD Advisory Committee, requesting an extension of the deadline for suspending the Super Fare Share program.

Votes in favor: 5

Votes opposed: 3

The motion carried.

**[Council voted to extend the current subsidy until the end of the current fiscal year – no further action needed on this item.]**

**Mr. McCloskey** asked if the county had a way of tracking what will happen to the 500 commuters in Friendship Heights if the subsidy is taken away. **Ms. Brecher** said CSS can track the employers, but not necessarily individual employees. If the employer keeps the subsidy at the same level, it is safe to assume the same level of participation. Commuter Services will be talking to employers on regular basis to gauge the effect of the change and help them to make the transition.

**Mr. Knoop** said he was concerned that Super Fare Share, because it tends to go to significant number of people who are already using transit and, therefore, does not affect behavior change on a scale that is as effective as, say, making the buses free on certain days. He has seen a large surge of riders on those days when this is done. We are providing a white collar subsidy that is a large expenditure on the county's part; it is not carefully targeted to affect change and lasts too long. We have not changed habits in most cases – employees just use the subsidy to underwrite what they would probably do anyway (for those who were already transit users). **Ms. Brecher** said that national research as well local studies have confirmed the value of transit benefits in influencing employees' choice to use transit. This is particularly true where employees do not pay for parking. The overall cost of Super Fare Share is very small compared to the cost of running a bus system, and also small in comparison to the lost revenue of free service. She agreed, however, that reductions in the current programs offer the opportunity to reexamine the types of incentive programs the County offers to encourage transit use.

**Mr. Schwarzbart** said that the benefit is a key element in persuading people to try transit in the first place and will keep them there. If the benefit is discontinued, there will be a gradual fading of whatever good has come from it. He said that it might be less costly to promote the state's tax credit than providing the benefit. **Ms. Brecher** answered that promotion of the tax credit, along with the pre-tax option, has always been part of the county's promotional outreach to employers.

**Item 6 – Friendship Blvd. Mid-Block Crosswalk:** **Mr. McCloskey** referenced email from a Friendship Heights resident (included in meeting packet), requesting a mid-block crosswalk on Friendship Blvd. across from the GEICO property that will connect to Wisconsin Place. The county has determined that such a

crosswalk without an accompanying signal may be more dangerous than no crosswalk at this location due to turning traffic, so there are no plans at present in this regard.

**Leonard Grant** said he could not access the Wisconsin Place garage after 9 PM in order to get to the Recreation Center. **Christine Norris**, Wisconsin Place Manager, said she will check into changing the garage hours in coordination with the Rec Center hours.

**Mr. McCloskey** noted that the District has not yet fixed the traffic light at the GEICO entrance on Western Avenue. Currently, the light cycles red and green at all hours, even when GEICO is closed.

**Item 7 – Street Light Outages:** **Mr. Schwarzbart** noted that a resident has expressed concerns about lights being out on Friendship Blvd. There is an urgent need to correct this, since there was an armed carjacking in the area on October 26<sup>th</sup>. The resident has written to Chevy Chase Village and Friendship Heights Village about the matter.

The committee authorized **Mr. Schwarzbart** to send an email to DOT regarding repair of the lights. **[DOT agreed to make the necessary repairs before the email was sent – no further action needed.]**

**Meeting adjourned at 10:10 – Tour of Wisconsin Place Recreation Center:** Members who were interested took a tour of the county's new Recreation Center at Wisconsin Place.

Next meeting date: December 8, 2009

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